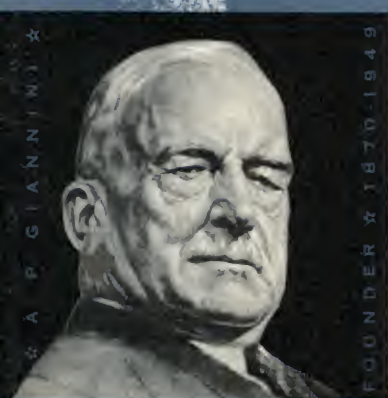


CLEVELAND PUBLIC LIBRARY
BUSINESS INFORMATION SERVICE
CORPORATION FILE



FOUNDER ★ 1870-1949



Bank of America

NATIONAL TRUST AND SAVINGS ASSOCIATION

annual report

1957



Serving Commerce Around the World....

A. P. GIANNINI: *"Some people worry so much about the shadows of a few trees that they can't see the forest. The simple fact is that America has grown, is growing and will grow from one decade to another and California is going to lead the way."*

"Our job is to run our bank in the interest of and for the welfare of the many, not just the few. Don't be satisfied with things as they are, leave nothing undone which will contribute to the continued development of our institution and to the enhancement of its capacity to serve the nation and the people of California."

"That is the way we will grow together, to ever-greater tomorrows!"

BANK OF AMERICA NATIONAL TRUST & SAVINGS ASSOCIATION: 617 branches in California OVERSEAS BRANCHES: London
Manila • Tokyo • Yokohama • Kobe • Osaka • Bangkok • Guam REPRESENTATIVE OFFICES: New York
Washington, D. C. • Mexico City • Milan • Zurich • Duesseldorf • New Delhi • Havana • Rio de Janeiro



BANK OF AMERICA - INTERNATIONAL (a wholly-owned subsidiary): New York • Duesseldorf • Singapore • Beirut • Paris
Guatemala City BANCA D'AMERICA E D'ITALIA (an affiliate): Milan • Rome • Genoa — 63 Branches throughout Italy

Memorandum to Our Stockholders

The year 1957 was one of dynamic growth for your bank, a year of challenge and of achievement. To summarize for you in round figures, these were some of the major developments of the year:

Resources increased \$647,000,000, to total \$10,639,000,000. Deposits gained \$531,000,000 to total \$9,524,000,000. The year's gain in savings deposits alone amounted to \$359,000,000, averaging almost a \$1,000,000 a day.

Loans outstanding totaled \$5,555,000,000, increasing \$202,000,000 during the year. Investments in securities gained \$224,000,000. Profit on the sale of securities amounted to \$844,000.

Net operating earnings were \$2.81 a share. By expanding earnings and firmly controlling expenses, we were able to substantially offset the higher interest rates currently paid on savings deposits.

Dividend payments totaled \$46,080,000, and \$30,500,000 was added to capital funds and to the reserve for possible loan losses, which together amount to \$674,000,000, more than double what they were ten years ago.

The results of the year were encouraging and the credit belongs in no small measure to the support you, our stockholders, have given with your patronage, your recommendations to your friends, and your continued interest in our affairs.

This support has been most gratifying, and as we enter the year 1958, we can look back upon a past filled with accomplishment—the work of many men and women. As we look ahead, we are confident that this year will prove even more rewarding.



S. Clark Beise *President*



Jesse W. Tapp *Chairman*

S. Clark Beise

Jesse W. Tapp

Highlights of the Year's Operations

Compared with Previous Year

	1957	1956
Operating Earnings	\$ 412,558,288	\$ 368,626,079
Operating Expenses (including applicable taxes and assessments)	\$ 340,583,337	\$ 294,659,711
Net Operating Earnings	\$ 71,974,951	\$ 73,966,368
Per Share	\$ 2.81	\$ 2.89
Taxes and Assessments applicable to Operations	\$ 78,917,012	\$ 81,296,852
Per Share	\$ 3.08	\$ 3.17
Dividends Paid	\$ 46,080,000	\$ 44,160,000*
AT YEAR-END:		
Shares Outstanding	25,600,000	25,600,000
Capital Funds and Reserve for Possible Loan Losses	\$ 673,947,621	\$ 643,448,353
Deposits	\$ 9,524,116,722	\$8,993,240,999
Number of Deposit Accounts (as of November 30)	6,748,256	6,460,405
Loans	\$ 5,554,784,021	\$5,353,035,991
Total Resources	\$10,639,149,591	\$9,991,842,012
Domestic and Overseas Branches	626	612

*Annual dividend rate increased from \$1.60 to \$1.80 per share and number of shares outstanding from 24,000,000 to 25,600,000, effective second quarter of 1956.





Report to Our Stockholders **1957**

During 1957 the American economy enjoyed another year of prosperity. New high levels of activity were recorded in most sectors of the economy, with income and employment reaching peaks never before attained in the history of the nation.

However, from the beginning, this was a year of readjustment for some segments of the economy. By the end of the year, the over-all rate of business activity was tapering off and there were strong indications that these readjustments would extend into the early months of 1958.

Moving through a period of consolidation and readjustment during coming months, the economy should benefit from an end to the price inflation which has plagued it so persistently for many months. With prices stabilized through this process of readjustment, the economy will arrive at new foundations from which it can again begin to move upward as 1958 draws to a close.

The high level of economic activity during the past year, coupled with inflationary pressures, posed special problems for financial institutions. The continued momentum of credit demand which exceeded the available supply of new savings required financial institutions to redouble their efforts to satisfy legitimate credit needs.

Moreover, the existence of these strong inflationary pressures forced the Federal Reserve Board to deliberately restrict bank credit. It did this by limiting its own credit operations, which serve as the source of the cash reserves member banks hold against their own deposit liabilities.

The combination of these two forces—high credit demand and a restrictive monetary policy to combat inflation—meant that interest rates had to rise rapidly, and did rise rapidly, in order to balance the forces of supply and demand for credit.

The continued high level of business activity, accompanied by inflation, encouraged businessmen to continue their huge postwar capital investment programs. Business spending for new plants and equipment reached a new peak by the end of the year. An increased proportion of this capital investment was financed by borrowing and placed great pressure on the nation's resources.

During the year, mounting evidence of temporary excess industrial capacity began to appear; capacity had been growing at such a rate that consumer and business demand could not keep pace with this accelerating ability to produce manufactured goods. We can anticipate therefore that the rate of capital investment should decline during 1958 as manufacturers adjust to this excess capacity. Most observers remain confident however that this added capacity will prove useful in the years ahead, under the stimulus of population growth and technological advance.

The housing industry was one segment of the economy which found it necessary to readjust from the very beginning of the past year. During the first half of the year, the rate of new housing construction continued to slide from its peak, attained in mid-1955, but the outlook improved by the end of 1957. The rising rate of housing starts, during the last half of the year, encouraged the belief that the situation would improve further this year, although a predicted decline in personal incomes during the early months of 1958 may tend to retard the rate of recovery of residential construction activity.

Sales of slightly more than six million automobiles during 1957 compare favorably with the previous year, but a rising inventory of new cars at year-end indicates early 1958 will be a time of testing for this important industry. The outlook for consumer incomes, availability of credit and potential flexibility

Comparative Summary of Earnings

	1957	1956
Operating Earnings:		
Interest on loans	\$284,774,712	\$255,237,928
Interest and dividends on securities, after amortization of premiums	61,301,006	56,076,399
Commissions, fees and other income	<u>66,482,570</u>	<u>57,311,752</u>
	\$412,558,288	\$368,626,079
Operating Expenses:		
Interest paid	\$115,008,866	\$ 73,306,023
Salaries (including employees' bonus and participation in profit-sharing plan amounting to \$5,702,937 in 1957 and \$6,398,817 in 1956)	101,724,447	96,374,655
Provision for taxes and assessments applicable to operations	78,917,012	81,296,852
Other operating expenses	<u>44,933,012</u>	<u>43,682,181</u>
	340,583,337	294,659,711
Net Operating Earnings	\$ 71,974,951	\$ 73,966,368
Profit (or loss) on securities transactions, after Federal tax	844,269	(1,358,939)
	<u>\$ 72,819,220</u>	<u>\$ 72,607,429</u>
Transfer to Reserve for Possible Loan Losses	\$ 12,500,000	\$ 12,500,000
Tax saving resulting from reserve transfer	<u>5,915,000</u>	<u>5,915,000</u>
	6,585,000	6,585,000
	\$ 66,234,220	\$ 66,022,429
Dividends Paid	46,080,000	44,160,000
Addition to Capital Funds	<u>\$ 20,154,220</u>	<u>\$ 21,862,429</u>

of auto prices will be three of the most important factors determining the strength of demand for new cars during 1958.

Despite problems in certain areas, a high level of activity was maintained in most sectors of the economy. Massive consumer spending for non-durable goods and services continued to rise at a strong rate throughout the year, as consumers maintained their demands for ever-higher standards of well-being. Although the rate of increase should moderate somewhat during the early months of 1958, consumer spending will nevertheless continue to provide a strong basic foundation for the economy.

Another strong growth factor during 1957 was an eight per cent increase in purchases of goods and services by federal, state and local governments. The rapidly growing population necessitated a rising rate of spending for public facilities—especially for badly needed roads and schools. Increasing expenditures by such political subdivisions during the coming year should provide another strong basic prop for the economy. Of special importance will be a rising rate of expenditures for the new Federal highway program which will pick up momentum this year.

The Federal Government made a strong effort to contain the rapidly rising level of defense expenditures during the past year, but recent international developments make it evident that there will be even greater expenditures this year to provide two basic defense establishments for the nation—one conventional and one nuclear. In addition, the rapid rate of technological advance will require increased spending for the missile program.

The farm situation was improved by a reduction in the commodity surplus, sparked by increased sales abroad, and there is a prospect of further improvement in the farm picture this year.

Looking at 1957 in retrospect, the year was a prosperous one, and most sectors of the economy forged ahead to new heights. For some important segments of the economy, the year was a period of substantial readjustment, and the tempo of business activity slowed noticeably during the closing months of the year as the need for readjustment became more widespread. This period of consolidation and testing will continue into the early months of this new year until

a new foundation is built—probably following mid-year. Given this foundation, the economy will be in a better position to resume its long-range growth trend. The upward lift of this trend will reflect our rapidly advancing technology, our high birth and family-formation rates which produce 3,000,000 new consumers a year, and the confidence of businessmen and consumers in the long-term strength and vitality of the American economy.

During 1957 California accounted for more than one-tenth of the nation's income. California's personal income level rose to a new record high of \$35 billion, growing at a seven per cent rate as compared with the national rate of five per cent for the year.

Nearly six million persons were fully employed at the midyear peak. Three out of every five adult residents were at work, and housewives, students and retired people found profitable opportunities in industry. Notwithstanding economy measures in the defense program, total wages paid to manufacturing workers increased by more than ten per cent to give the State's economy its greatest single boost.

California's important agricultural industry lagged slightly behind its 1956 performance, despite an increase in payments under the soil bank program. Dairying, a most important segment, continued to improve throughout the year, and higher livestock prices tended to offset decreased marketings.

Construction remained relatively stable. Industrial construction and public works projects took up much of the slack caused by the housing decline, and there were hopeful signs pointing to renewed housing activity in the months ahead.

California experienced in greater or lesser degree all of the national trends—the increase in consumer and government spending, the high level in business investment expenditures, and the decline in housing and inventory buying.

One thousand new residents entered the State every day. This influx, combined with a natural population increase of 600 births every day, swelled California's population by almost 600,000 during the year to a new record high of 14,400,000.

The tremendous and growing market existing in California for consumer goods and public services, a healthy situation in the State's agricultural industry

and a high level of manufacturing activities together accelerated the California economy at a rate faster than that of the nation.

The Challenge of 1957

The year presented to us the problem of offsetting through earnings specific increases in interest paid on savings deposits and general increases in the cost of doing business.

As the year began, we were faced with a very substantial additional cost of approximately \$34,000,000 resulting from a rise in the annual interest rate paid on savings deposits from two to three per cent, in effect, a 50 per cent increase in a major expense item.

In addition, throughout the year, there was the problem of the general rise in costs which affects all of business and industry, a long-term trend affecting the costs of the goods and services upon which we in banking depend.

Our approach to these problems was twofold:

1. We managed our earning assets so as to receive higher income on loans and securities and expanded our revenues from commissions, fees and other services.

2. We exercised firm control over expenses.

The results of this approach were gratifying.

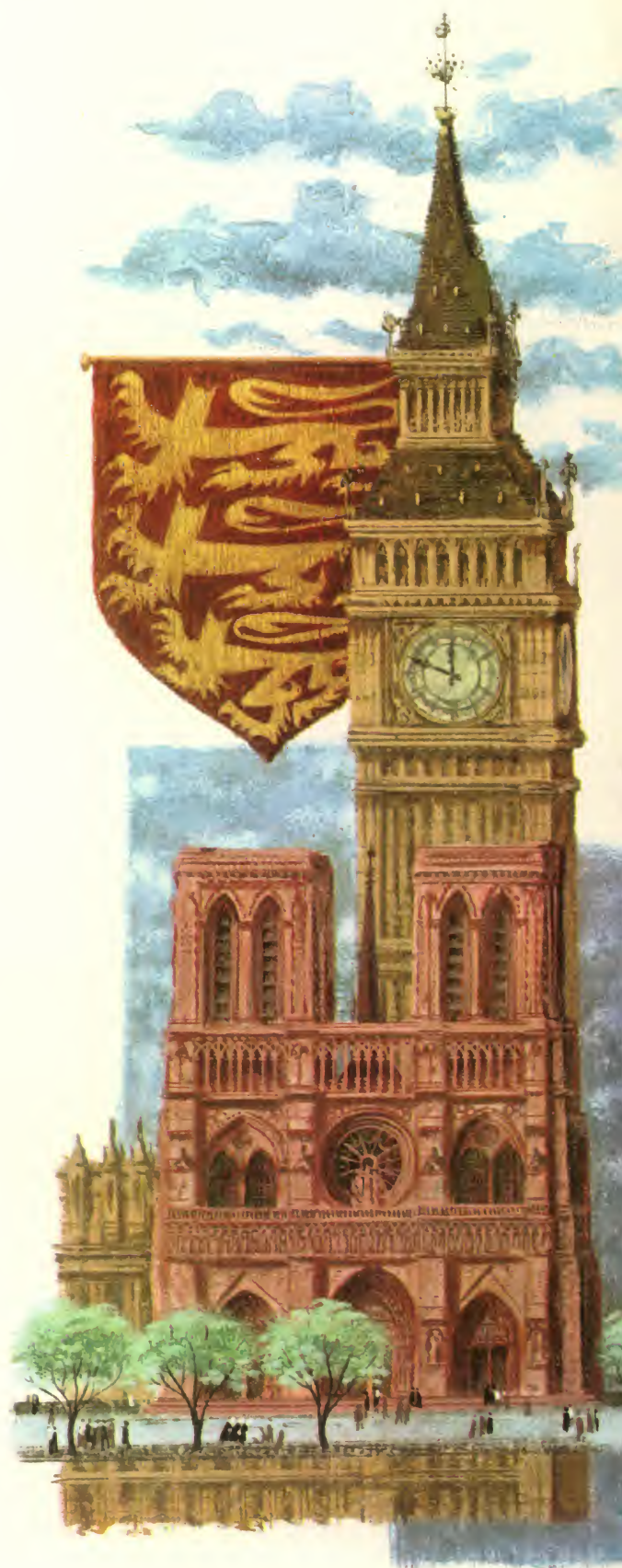
Taxes and assessments applicable to operations at \$78,917,012 were down \$2,379,840 from 1956. On a per share basis this amounts to \$3.08 per share as contrasted with \$3.17 per share in the previous year.

Net operating earnings for the year were \$71,974,951, and in light of the increase in interest and other costs, compare most favorably with the previous year's \$73,966,368 figure.

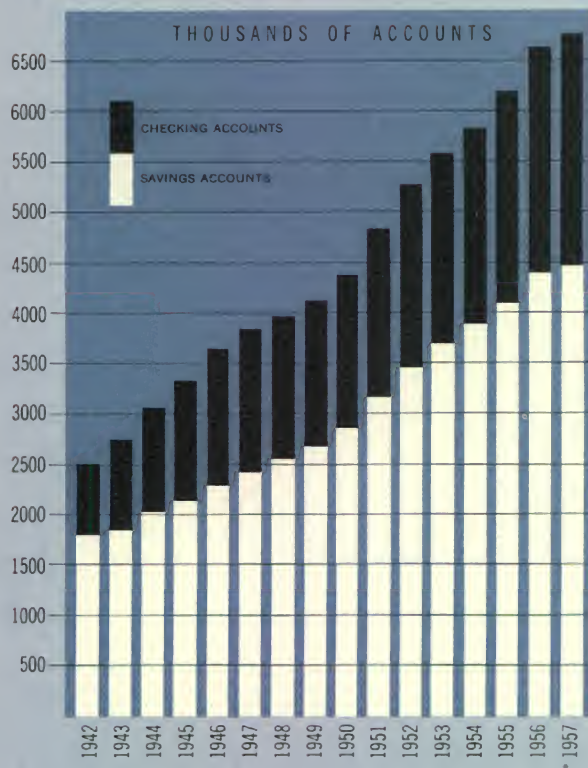
The transfer of \$12,500,000 to the Reserve for Possible Loan Losses resulted in an after-tax charge to earnings of only \$6,585,000. Taking into account loan recoveries and losses during the year, the Reserve for Possible Loan Losses increased \$10,345,048, from \$80,581,353 at December 31, 1956 to \$90,926,401 at December 31, 1957.

Payment of the larger cash dividend of \$1.80 per share made for a total payment in 1957 of \$46,080,000 to our stockholders.

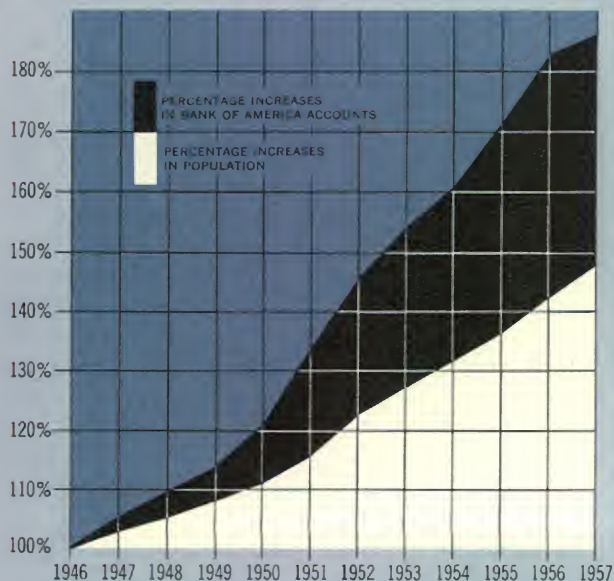
The balance of earnings and profits, \$20,154,220, was added to Capital Funds.



Number of Deposit Accounts



* FIGURES FOR FIRST 11 MONTHS, 1957



Undivided Profits were increased from \$107,028,049 to \$126,970,724, Contingency Reserves from \$5,838,952 to \$6,050,497, and the Capital and Surplus accounts remained unchanged at \$160,000,000 and \$290,000,000 respectively.

Capital Funds and the Reserve for Possible Loan Losses combined totaled \$673,947,621 at year-end and are more than double what they were ten years ago.

Deposits Continue Upward Trend

Savings deposits showed the largest increase in more than a decade, growing at a rate of almost \$1,000,000 a day.

Payment of the higher three per cent annual interest rate combined with a vigorous drive for new deposits to produce an increase of \$358,642,000 in savings deposits during the year. This can be contrasted with a decrease of \$6,297,000 in savings during 1956.

At year-end, savings and time deposits totaled \$4,734,061,687, a new peak and an increase of some \$417,835,305 over December 31, 1956.

At year-end, demand deposits stood at \$4,790,055,036, an increase of \$113,040,418, as compared with last year's demand deposit total of \$4,677,014,618.

The number of deposit accounts reached new highs during 1957. As of November 30, the number of checking accounts had increased to 2,259,194, and time and savings deposit accounts had risen to 4,489,062, for a total of 6,748,256 deposit accounts.

Contrasting the rise in the number of accounts with the rise in population, today we have 476 deposit accounts for every 1,000 residents as compared with 388 accounts ten years ago. As the adjacent chart shows, our deposit accounts have increased at an even faster rate than California's dramatically expanding population.

Record Loan Volume

Loan volume achieved a record high. The rising demand for bank credit, in the face of only a moderate increase in the money supply, resulted in general strengthening of interest rates. These higher rates made for improved earnings, as they were applied to new loans and renewals of existing loans.

Careful management of the investment of our funds enabled us to pursue our basic credit philosophy of taking care of the credit requirements of our customers and continuing our leading role in the economy of California and of the nation.

Total Loans and Discounts at year-end were \$5,554,784,021, as compared with \$5,353,035,991 one year ago.

Commercial Loans as of December 31 were \$2,163,098,000, up \$205,117,000 from the previous year. These loans for the most part consist of short-term and seasonal advances to business, industry and agriculture, and were made at improved interest rates throughout the year. The volume of these loans reflected the high level of business activity generally prevailing.

Term lending activities continue to show the changing patterns of growth in California and elsewhere in the nation. This section of the loan portfolio is characterized by increasing diversification, both in types of industries and in geographic areas. These loans illustrate how we have been able to help finance industry in California and elsewhere in the nation, thereby making an effective contribution to expanding the industrial base upon which the economy depends.

Instalment Credit Loans as the year ended were \$1,201,475,000, representing an all-time high. To achieve this total outstanding at the year-end meant that during the year we made more than \$3,200,000,000 in consumer loans, and repayments totaled more than \$3,100,000,000.



Construction workers are rapidly changing California's skyline.

Activities in this field include financing retail sales of automobiles, appliances and other consumer items on the instalment plan, personal loans, financing of home improvements, and providing instalment credit for business purposes. The rate of repayment during the year averaged approximately \$260,000,000 per month and involved more than 2,000,000 individual loans.

Our experience with these loans, conducted under our famous Timeplan trademark, continues to be most favorable.

Real Estate Loans at year-end showed a total outstanding of \$2,190,211,000, and that portion of these loans guaranteed or insured by agencies of the U. S. Government amounted to more than \$1,300,000,000.

It is interesting to note that the outstanding real estate loans, the substantial proportion of which are under regular monthly amortization programs, have



an average size of \$6,800, and that loans on family dwellings are the preponderant item in the real estate portfolio. In the past ten years, with more than 1,716,000 housing units built in California, our savings deposits have enabled us to grant almost five billion dollars in real estate loans, and thereby to perform an important service for the people of California.

During the year, payments on real estate loans approximated \$480,000,000.

In Summary, the character of our Loans and Discounts, with their broad diversification both geographically and by type, permits the greatest possible use of our funds.

Investment Portfolio Grows

Continued deposit growth during the year enabled us both to add to the investment portfolio and to meet increased credit needs of our customers.

Developments in the Bank's U. S. Government Securities Portfolio included the addition of \$103,826,062 in our holdings, and a substantial increase of \$3,133,145 in interest income.

At year-end, U. S. Government securities and U. S. Government-guaranteed securities totaled \$1,873,880,685, including \$439,258,986 due within one year. Holdings maturing within five years amounted to \$1,583,644,986 or 85% of the total U. S. Government portfolio.

As of December 31, 1957, the U. S. Government and Government-guaranteed portion of the securities portfolio had an average final maturity of three years and two months, as compared with the four year average maturity at the close of 1956.

During the year, refundings of maturing Treasury securities took place at sizable increases in yield without sacrifice of an adequate secondary reserve.

Because of general monetary conditions, the day-to-day exchange among banks of temporary surpluses of funds took on greater importance. Development of this aspect of our "money market" operations resulted in additional income to the bank and enabled us to utilize all funds as fully as possible.

Municipal Bond Developments included a slight increase in total holdings and an improvement in average tax exempt return. The income from this source makes a significant contribution to net earnings.

Our bank is one of the nation's largest underwriters of general obligation municipal bonds. The many trading and underwriting activities have expanded our relationships with the bond and trust departments of banks, insurance companies, and security and investment groups across the nation.

During the year, our bank headed syndicates which

successfully bid on 244 out of 644 California issues offered. These purchases amounted to \$544,868,500 of the \$839,693,486 offered for sale by the State of California and the many cities, counties and other political subdivisions within the State.

The surging forces of population growth have placed tremendous demands upon the California Commonwealth—demands for schools, roads, water systems, flood control systems, and public facilities of all kinds.

By providing financing on a sound basis at reasonable interest costs, we were able to render a constructive service to the State and its many subdivisions, and to assist in building the wide range of physical facilities needed to accommodate the expanding population.

In Summary, interest and dividends on the securities in our portfolio, after amortization of premiums, amounted to \$61,301,006, an increase of \$5,224,607 over the previous year's figure of \$56,076,399.

During the year, profits realized on security transactions amounted after Federal taxes to \$844,269.

At year-end, the portfolio stood at \$2,742,530,348. Compared with \$2,518,301,682 for the previous year, this was a gain of \$224,228,666.



Throughout California, our Municipal Bond activities finance schools such as this suburban Hillsdale High School.



Statement of Condition

(Figures of Overseas Branches)

RESOURCES

Cash and due from banks.....	\$ 1,850,658,364.57
United States Government securities and securities guaranteed by the Government.....	\$1,873,880,684.95
Federal agency securities.....	114,084,739.81
State, county, and municipal securities.....	615,224,494.07
Other securities.....	125,840,429.60
Stock in Federal Reserve Bank.....	<u>13,500,000.00</u>
TOTAL SECURITIES	2,742,530,348.43
Loans guaranteed or insured by the United States Government or its agencies	1,345,072,437.40
Other loans to customers for use in their businesses, for building, buying, or modernizing their homes, for financing automobile or household equipment purchases, etc.	4,209,711,583.91
Interest due on bonds and loans, and accounts receivable.....	55,492,473.32
Customers' liability under letters of credit and acceptances.....	318,278,678.02
Bank buildings, furniture, fixtures, and safe deposit vaults, carried at cost less depreciation reserve of \$39,871,801.99.....	115,159,169.02
Other real estate owned. Unoccupied bank premises, and real estate acquired in the settlement of debt, carried at less than cost or at appraised value.....	1,277,877.28
Other resources, deferred charges, etc.	<u>968,659.17</u>
TOTAL RESOURCES	<u>\$10,639,149,591.12</u>

Member Federal Reserve System . . . Member



on December 31, 1957

(are as of December 24, 1957)

LIABILITIES

Capital. Representing the investment of over 200,000 stockholders of record	\$ 160,000,000.00
Surplus. Paid in by stockholders or accumulated from earnings	290,000,000.00
Undivided profits. Profits accumulated and not distributed	126,970,723.60
Reserves. Set aside out of our accumulated profits by the Board of Directors, available as a reserve, in addition to Surplus and Undivided Profits, against normal contingencies	<u>6,050,497.17</u>
TOTAL CAPITAL FUNDS	\$ 583,021,220.77
Reserve for possible loan losses. To apply against any loan losses that may develop in the future; it has not been allocated to any particular loans or type of loans	90,926,400.83
Demand deposits. Funds placed with the bank by individuals, corporations, firms, banks, United States and other Governments, and the State of California and political subdivisions thereof	\$4,790,055,035.50
Savings and time deposits. Funds placed with the bank in savings accounts or for extended periods of time by individuals, corporations, firms, banks, United States and other Governments, and the State of California and political subdivisions thereof	<u>4,734,061,687.15</u>
TOTAL DEPOSITS	9,524,116,722.65
Liability for letters of credit and acceptances	320,828,328.30
Reserve for interest received in advance	69,103,686.54
Reserve for interest payable on time deposits and for taxes and other expenses	<u>51,153,232.03</u>
TOTAL LIABILITIES	<u>\$10,639,149,591.12</u>

ber Federal Deposit Insurance Corporation

Bank of America - New York

(INTERNATIONAL)

A wholly-owned subsidiary

Condensed Statement of Condition December 31, 1957

(Branch Figures are as of December 24, 1957)

RESOURCES

Cash and due from banks	\$107,755,854.74
United States Government obligations, direct and fully guaranteed	9,734,347.21
Other securities	18,353,830.67
Loans and discounts	139,124,212.06
Accrued interest	891,706.74
Customers' liability under letters of credit and acceptances	173,730,622.03
Other resources	<u>1,628,417.01</u>
TOTAL RESOURCES	<u>\$451,218,990.46</u>

LIABILITIES

Capital	\$34,000,000.00
Surplus	6,600,000.00
Undivided profits	<u>1,205,241.61</u>
TOTAL CAPITAL FUNDS	\$ 41,805,241.61
Reserve for possible loan losses	2,128,329.59
Deposits	227,897,803.93
Liability for letters of credit and acceptances	176,199,088.02
Reserve for interest received in advance	675,659.92
Reserve for interest, taxes, etc.	<u>2,512,867.39</u>
TOTAL LIABILITIES	<u>\$451,218,990.46</u>





International Banking

The year presented unusual opportunities for international banking. Strategically located overseas branches, together with overseas representatives in the principal financial capitals of the world, enabled us to take maximum advantage of those opportunities.

The result—our bank is assuming a leading role in world finance at a time when foreign trade throughout the world is reaching new peaks.

The past ten years have seen material expansion of our international banking operations, reflected in a staff growth from less than 200 to more than 2,000, and a twentyfold rise in gross deposits and loans and discounts attributable to our international activities, with a similar healthy rise in net operating earnings derived from this source.

During the year, the increase in export-import trade activity outpaced the rise in domestic economic activity, and world trade and U. S. foreign trade established new records.

The effects of the Suez crisis, while adverse to certain countries, were short-lived and less pronounced than originally feared. Middle Eastern oil production and oil shipments were soon back to normal. Shortages of basic commodities gradually eased or altogether disappeared as supply overtook demand.

Nations of the free world generally enjoyed continued prosperity. However, expanding production, coupled with ambitious development projects, resulted in heavy inflationary pressures, with inflation a principal economic problem in almost every country. Strenuous efforts were made to curb inflation by increasing interest rates and restricting credit, such as the drastic action taken by the Bank of England in increasing its rate from five to seven per cent. There were general, and frequently sharp, increases in interest rates elsewhere in the world.

In a number of countries, long-term development plans had to be revised drastically, and progress towards convertibility of leading currencies and liberalization of trade restrictions slowed down and, in some cases, was even reversed.

In some areas of the world, economic progress, monetary stability and balance of payments position showed mixed trends. For example, in Latin America, Mexico made excellent progress while some other countries experienced difficulties.

Efforts towards creation of a "European Common Market" made substantial headway. This is a development which is likely to have profound effects on the economies of the countries concerned and on the economy of the world.

United States' investments in overseas countries continued to expand, and it is becoming increasingly clear that such investments offer the best real solution to the problem of developing world resources, more particularly in under-developed areas.

In the closing days of 1957, economic activity leveled off in many countries, particularly in Western Europe, and this tended to check the general pattern of inflation.

For us, the year was both busy and profitable. The volume of credits, of foreign exchange transactions and of documentary collections increased. As the range of our operations abroad has grown, we have acquired increasingly intimate knowledge of local conditions affecting the conduct of business, and as a result we have established important new connections as well as cementing existing relationships with our foreign and domestic customers.

The earnings from these international activities are making increasingly substantial contributions to the total earnings of the bank, and the major portion of those earnings is attributable to the extensive foreign banking operations directed by the International Banking Departments and by the overseas branches of the Bank of America N. T. & S. A.

In London, where we established our first branch in 1931, we moved to larger quarters located in the "City," traditional financial center for the British Empire.

Our wholly-owned subsidiary, Bank of America (International), conducts foreign banking transac-



tions from its New York home office and through its foreign branches. Organized in 1950, with total resources of \$49,559,524 at the end of that year, it is showing impressive growth in all respects, with resources of \$451,218,990 at the end of 1957.

Currently leasing its offices at 40 Wall Street, Bank of America (International) purchased for future occupancy a nine-story building at 37 Broad Street, in New York, better suited to house its operations.

During the year, Bank of America (International) opened a branch in Guatemala City at the invitation of the Guatemalan Government, and purchased a splendidly located building on the Place Vendome, to be used as new premises for the expanding activities of its Paris branch.

A major development during the year was the purchase of control of the Banca d'America e d'Italia, culminating the dream which our founder, A. P. Giannini, had long held. By this investment, Bank of America (International) acquired one of the largest privately-owned banks in Italy, with a head office in Milan and with 63 branches, the locations of which are shown on the adjacent map.

This investment by our subsidiary strengthens our international banking position and makes it possible

Banca d'America e d'Italia Condensed Statement of Condition December 31, 1957

RESOURCES	
Cash on hand and due from banks and correspondents	Lire 45,289,527,251
Cash and Government securities deposited with Banca d'Italia	26,450,121,455
Investment in government securities.....	9,987,143,172
Investment in other securities and participations	1,238,978,578
Bills discounted	24,474,023,808
Loans and advances.....	41,695,353,758
Bills held for collection.....	5,211,445,525
Customers' liability under acceptances, guaranties, documentary credits, etc....	14,552,807,681
Bank premises (Revalued in accordance with law)	2,021,652,073
Furniture and fixtures.....	1
Other assets	3,790,274,198
Assets of staff liquidation fund.....	3,322,524,836
TOTAL RESOURCES.....	Lire 178,033,852,336

LIABILITIES	
Capital	Lire 1,300,000,000
Surplus	1,500,000,000
Undivided profits	784,631,184
Reserve arising from revaluation of bank premises.....	918,170,417
Deposits and other accounts.....	141,782,704,366
Acceptances, guaranties, documentary credits, etc.	14,552,807,681
Unearned discount	358,280,460
Bills received for collection.....	4,528,623,264
Other liabilities and provisions for future contingencies	8,543,525,015
Staff liquidation fund	3,322,524,836
Pension fund	442,585,113
TOTAL LIABILITIES	Lire 178,033,852,336

This is an unaudited balance sheet and in accordance with Italian banking practices is subject to the approval of the Board of Directors and Shareholders at the Annual Meeting in Milan in March of 1958.

to offer additional and valuable service to banking clients throughout the world who are doing business with Italian firms. The investment in Banca d'America e d'Italia is carried under the asset category "Other Securities" in the Statement of Condition of Bank of America (International) on page 13 of this report.

To finance this acquisition, the Bank of America (International) increased its capital funds in October by \$11,556,792. Earlier, in August, its capital was increased by \$10,000,000 to broaden its capital base.

After taxes, Net Operating Earnings of Bank of America (International) for the year were \$1,646,359, the comparable figure for 1956 being \$1,321,554. In December, a \$3.00 per share dividend was declared, and paid, on its 340,000 shares. After this \$1,020,000 payment, the balance of the Net Operating Earnings, \$626,358, was added to Capital Funds and Reserve for Possible Loan Losses.

Expanding Trust Activities

The Trust Department's varied activities are making an ever-increasing contribution to profits.

During the past ten years this department has grown in volume by more than 300 per cent. The potential long-range growth is best illustrated by the increasing number of wills filed with us in which our bank has been named executor or trustee. These wills involve property and estates ranging in value from several thousand to many millions of dollars.

An important development during the year was the increasing number of individuals who created Living Trust and Investment Management accounts in order to obtain our skilled services for the professional handling of their affairs.

Another noteworthy advance during the year was the establishment of a Small Trust Program. This represents a significant extension of our basic philosophy of service to persons of all economic levels. Small trusts, established for true trust purposes and

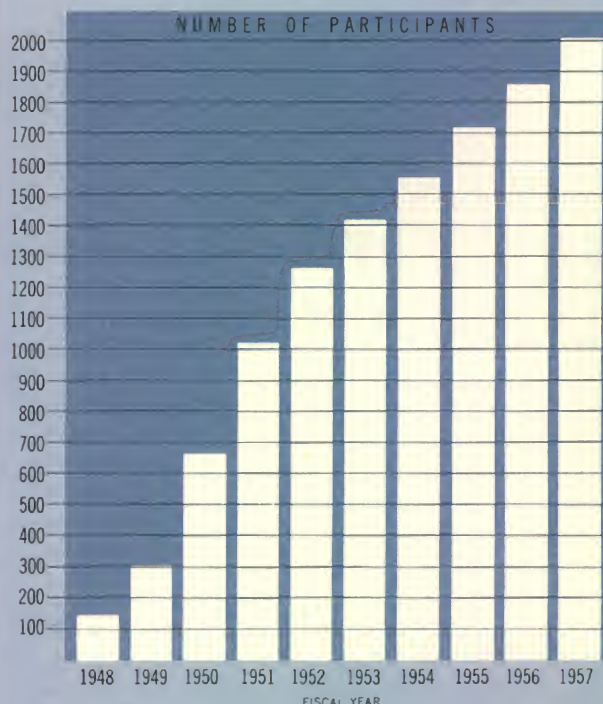
ranging in size from \$5,000 upward, can participate in our Diversified Common Trust Fund. Thereby, they can secure broad diversification in investments and greater stability of income, advantages not usually available for trusts of limited size.

The Diversified Common Trust Fund has continued its steady pattern of growth. The past nine years have seen the number of its participating trusts and guardianships increase twelvefold and its assets twenty-fold.

The Investment Fund for Retirement Plans completed its first year of operation during 1957, with enthusiastic reception from both large and small companies whose individual investment objectives can be met through participation in this fund.

To serve the needs of all types of plans and to provide flexibility, the Investment Fund has been divided into two parts. One part consists of bonds, preferred stocks, and other fixed income investments; the second part is invested in equities. By varying the amount

Diversified Common Trust Fund



of participation in these two parts of the Fund, every individual plan can meet its particular investment objectives.

The Corporate Trust section also has made substantial progress through appointment as Trustee and Paying or Fiscal Agent under new bond issues. Indicative of the population growth and economic importance of the West, our services as Transfer Agent and Registrar are being used by increasingly large numbers of national as well as California corporations.

Branch Growth Continues

August 1, 1907 was a significant date in our history, marking the establishment of the first of our branches and the beginning of our branch banking system. The 50 years which have intervened have seen our branches in California grow in number to 617.

WINTER and summer, 1,000 new residents pour into California every day, welcomed by our billboards at various transcontinental entry points. The scene below is within a few miles of the site of the 1960 Winter Olympic Games.



The building and modernization program is designed to provide the best possible service under the most attractive and efficient physical circumstances, and thereby to give full effect to our motto of "Service and Courtesy."

During the year we opened 15 new branches, closed one branch, constructed or acquired by lease 39 new branch premises and engaged in major expansion and modernization of 34 branches. We also acquired by purchase or trade 46 properties for use as building sites and as customer parking facilities.

The rising tide of population and the shifting from farm to city and city to suburb require constant research on the market requirements of growing areas. Recognizing that the convenience of our facilities is a factor of major importance in serving our old customers and attracting new customers, we will continue to open branches as warranted by economic growth and development within the State.

Local residents attend an "Open House" ceremony, customary at the opening of our new and remodeled branches. We opened 15 new branches, conveniently located to serve our customers, and expanded 34 other branches during the year as a part of our continual program of modernization.



Systems Research Continues

Nationally, banking, in common with other businesses, has seen a steady rise in operating costs during the past decade. To combat this upward trend, we are emphasizing systems and equipment research designed to improve the quality and scope of our services and, at the same time, to reduce and stabilize operating expenses.

Our objective is to develop methods of handling a large volume of transactions swiftly, accurately and inexpensively. To accomplish this end, we are taking full advantage of the technological developments of our age.

One such development is the electronic computer or "electronic brain" as it is commonly known, capable of performing at high speeds all of the steps of a complex accounting problem. Recognizing its ability to handle routine, repetitive functions and to rapidly compile and analyze informational reports for management, we became the first bank in the world to install a large-scale general-purpose computer.

This "electronic brain" handles the daily bookkeeping and accounting for 300,000 real estate and Timeplan instalment loans in the San Francisco area so satisfactorily that we are now completing a similar installation designed to service 110,000 real estate and 350,000 Timeplan loans for 94 branches in the Los Angeles area.

A recent analysis of the geographical distribution of checking accounts indicates that within the next few years, approximately 2,000,000 accounts may be handled by our large-scale automatic computing equipment. Upon the basis of this forecast, we are planning centers in populous areas throughout California, designed to serve more than 475 branches and to handle mechanically the routine bookkeeping for these checking accounts.

Other developments in equipment research include installation of a 24-hour telephone network linking 14 principal California cities, available during the day for

normal long distance telephone calls and available at night as the nucleus of a semi-automatic data transmission system.

By renting the necessary equipment from the telephone company, we achieve substantial economies and simultaneously render better service to customers whose statewide business activities relate to these cities.

We plan to continue this emphasis on systems and equipment research, thereby to achieve cost economies, to provide new services for our customers, and to free our staff from repetitive tasks.



Long-range Planning

In long-range organizational planning, we are increasing the autonomy of branch managers, within proper limits of delegation, as part of our program of continued decentralization. Simultaneously, we are relieving our principal executives of administrative detail so that they may function as a Presidential Cabinet, free to concentrate on long-range planning and policy matters. These changes reflect our traditional policy of adapting the organizational structure to the bank's present and future needs.

Bank of America — Giannini Foundation

During 1957, Bank of America—Giannini Foundation made 179 awards and disbursed a total of \$103,743. Created by our founder, A. P. Giannini, and representing substantially the entire estate accumulated by him during his lifetime, the Foundation has made 1,043 grants from income, aggregating \$584,520, during the last twelve years. The awards have taken two forms: first, awards of medical fellowships for such purposes as cancer, heart and blood disease research; second, awards to staff members to assist them in acquiring greater knowledge of such fields as banking and economics, thereby enabling them to accelerate their progress in the bank.

Personnel Developments

Skilled and loyal personnel are required to give the best possible service to our customers and to develop new business.

The high level of employment in California has made for keen competition among employers for replacements and for additional employees to handle the growing volume of business. In our relations with our staff we seek to maintain a position of leadership in

banking, fully recognizing that success depends upon our employees' experience, competence and courtesy.

Our personnel policies are designed to meet the needs of today and of tomorrow. Nearly 400 employees are enrolled in special full-time programs designed to train outstanding young men and women, to familiarize them with all of our major operations and to develop, under supervision, their ability to assume ever greater responsibility.

In another area of this important field of training and development we seek to analyze officer requirements in terms of effective candidates to fill possible vacancies — in brief, to develop and train our own personnel so that we shall always have, readily available, management strength in depth.

These programs serve to illustrate our basic policy of promotion from within the organization.

The increasing complexity of our operations and the wide variety of services require continual education of the non-official staff, who are the primary contact and sales point for the majority of our customers.

For this purpose, we developed a special program known as the "ABC's of Bank of America," involving the distribution to our employees of literature describing deposit, loan, trust, international banking and other customer services.

Weekly study meetings were held on an organized basis throughout all branches and departments, with an average attendance of better than 90 per cent of the employees eligible to participate.

The final quiz covering these "ABC's" saw 15,000 employees competing for prizes by demonstrating their newly-acquired knowledge, so essential to developing new business and giving the best possible service to customers.

Despite the growth in operations, the total number of employees rose only slightly. Everyone joined to hold down expenses, and for this, and for their deposit-building activities, we would like to pay tribute to our loyal staff members whose efforts helped us to meet the challenge of 1957.

Board of Directors and Advisory Council

It is with regret that we record the passing of three men whose advice had meant much to us over the years. Former directors, they were William E. Blauer, George J. Giannini, and Charles N. Hawkins.

Mr. Blauer, for 32 years an officer of the bank, held many responsible posts including the Chairmanship of the General Finance Committee. As a director, he had served as Vice-Chairman of the Board. Retiring from the bank in 1944, he resigned as a director in January of 1957 and passed away in February.

Mr. Giannini, younger brother of our founder, passed away on July 11. For many years an executive of the bank, Mr. Giannini gave up his directorship in 1940 to devote himself to his ranching interests. Many will recall the dramatic role he played in helping to rescue the bank's assets during the 1906 earthquake and fire in San Francisco.

Mr. Hawkins passed away October 16 at Hollister. A member of the Advisory Council at the time of his death and one of the outstanding figures in the devel-

opment of California's agriculture, Mr. Hawkins had served as a director for many years.

During the year, John S. Griffith and Harry S. Baker filled vacancies on the Board. Mr. Griffith, a resident of Pasadena, is well known for his residential and commercial property developments in Southern California. Mr. Baker, a resident of Fresno, is a leader in California's cotton industry and is President of the Producers Cotton Oil Company.

Frank C. Mitchell, for many years Vice-President and Manager of the San Jose Main Office and now retired, was named to membership on our Advisory Council.

Throughout the year, our Board of Directors and Advisory Council, and the members of the Branch Advisory Boards, have given unstintingly of their time and of their experience to our affairs. Their counsel has meant much—it is difficult for us to express fully the debt of gratitude we all feel for their wisdom and their guidance.

RESEARCH FOR TOMORROW—Our Systems and Equipment Research staff constantly seeks new and improved methods of handling our paper work. This electronic sorter can sort checks, by individual account number, at a rate of 600 per minute.

TRAINING FOR TODAY—Our special course in Farm Management has trained this branch lending officer in the problems and needs of the farmer, who is so important to California's and the nation's economy. Here this lending officer is calling upon a customer at his cattle ranch.



Prospects for the Future

As 1957 drew to its close, the economy, segment by segment, was passing through a readjustment which all available evidence indicated would extend well into 1958. To date, this process of consolidation and realignment among the various segments of our many-sided economy has been accomplished at a very high level of business activity and in an orderly fashion. There is reason to believe it will continue in this manner, with its major emphasis during the early months of the year upon business investment in the form of capital expenditure and upon inventory realignment.

Consumer expenditures for non-durable goods and for services will continue to be heavy, providing a firm foundation for a large part of the economy. Consumer expenditures for durable goods, primarily automobiles and appliances, and for housing, will be held in check during a portion of the year, but an expected upturn in income and employment toward the end of 1958 should stimulate demand in these areas.

Governmental expenditures at all levels, reflecting mounting population pressures and accelerated defense requirements, will have an increasingly expansionary impact upon the economy.

The result — the economy is preparing a new and firmer foundation for itself, from which it can again resume its rising trend of dynamic growth.

Necessarily, the level of activity in California will reflect national trends, but to a lesser negative extent and with a quicker recovery factor, thanks to the dynamism of the State's economy.





Harry S. Baker
Producers Cotton Oil Co.
Fresno, California

H. M. Bardt*
Executive Vice-President
Bank of America N. T. & S. A.

S. Clark Beise
President
Bank of America N. T. & S. A.

Wheelock H. Bingham
Macy's
New York, New York

Marsden S. Blois*
Miller & Lux Incorporated
San Francisco, California

Leon Bocqueraz
Merchants National Realty Corp.
San Francisco, California

W. J. Braunschweiger*
Executive Vice-President
Bank of America N. T. & S. A.

Eric A. Johnston
Motion Picture Association of America, Inc.
Washington, D. C.

Louis B. Lundborg*
Vice-President
Bank of America N. T. & S. A.

Harry A. Mazzer
Mazzer, Snyder & De Martini
Stockton, California

Lloyd Mazzer*
Executive Vice-President
Bank of America N. T. & S. A.

Garret McEnerney II
McEnerney & Jacobs
San Francisco, California

Wm. Wallace Mein
Calaveras Cement Co.
San Francisco, California

Frank C. Mitchell*
San Jose, California

Board of Directors and Advisory Council

K. L. Carver*
Arden Farms Company
Los Angeles, California

Joseph A. Cereghino
National Labeling Machine Co., Inc.
Los Angeles, California

Austin T. Cushman
Sears, Roebuck & Co.
Los Angeles, California

F. M. Dana*
Vice-President-Operations
Bank of America N. T. & S. A.

Robert Di Giorgio
Di Giorgio Fruit Corp.
San Francisco, California

R. P. A. Everard*
Kentfield, California

Louis Ferrari
Ferrari and Ferrari
San Francisco, California

F. A. Ferroggiaro
Director, Kaiser Industries Corp.
Oakland, California

Alfred J. Gock
Consolidated Freightways, Inc.
Menlo Park, California

John S. Griffith
John S. Griffith-Properties
Buena Park, California

Marshall Hale, Jr.
Hale Bros. Realty Co.
San Francisco, California

Prentiss C. Hale
Broadway-Hale Stores, Inc.
San Francisco, California

Mrs. Claire Giannini Hoffman
San Mateo, California

Robert E. Hunter*
Property Management
Santa Barbara, California

Charles M. Paganini*
Security Lithograph Co.
San Francisco, California

Neil Petree
Barker Bros. Corporation
Los Angeles, California

Louis A. Petri
United Vintners Inc.
San Francisco, California

Roland Pierotti*
Assistant to the President
Bank of America N. T. & S. A.

Charles H. Quinn*
Director, Electrical Products Corp.
Los Angeles, California

Frank F. Risso*
Vice-President-President's Assistant-Personnel
Bank of America N. T. & S. A.

J. H. Rosenberg*
Lehman Brothers (New York City)
Los Angeles, California

A. E. Sbarboro
Pacific National Fire Insurance Co.
San Francisco, California

Russell G. Smith*
Executive Vice-President
Bank of America N. T. & S. A.

Samuel B. Stewart*
Vice-President and General Counsel
Bank of America N. T. & S. A.

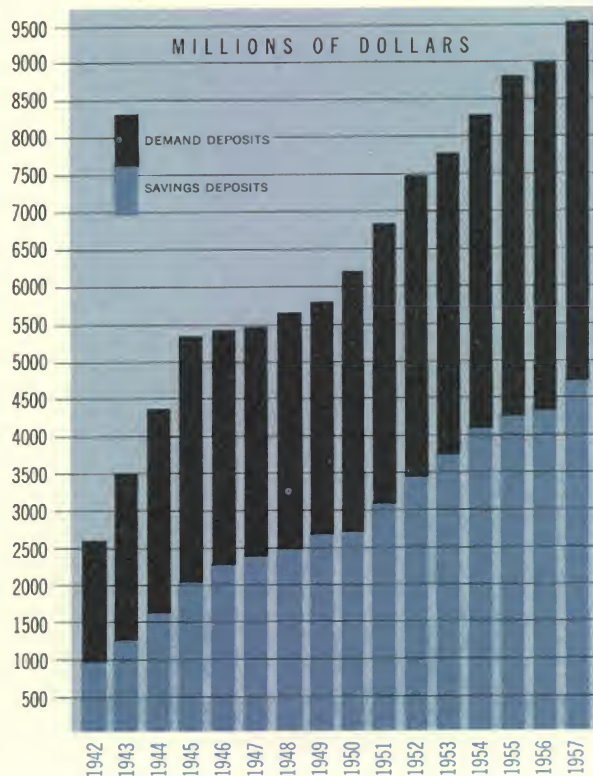
Jesse W. Tapp
Chairman of the Board
Bank of America N. T. & S. A.

Edward R. Thurber
Rancher
Vacaville, California

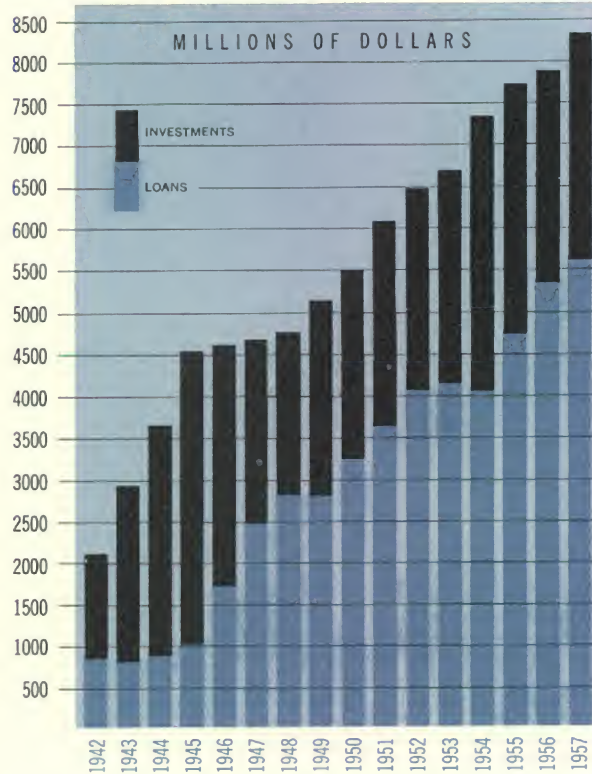
Roland Tognazzini
Union Sugar Company
San Francisco, California

Carl F. Wentz
San Francisco, California

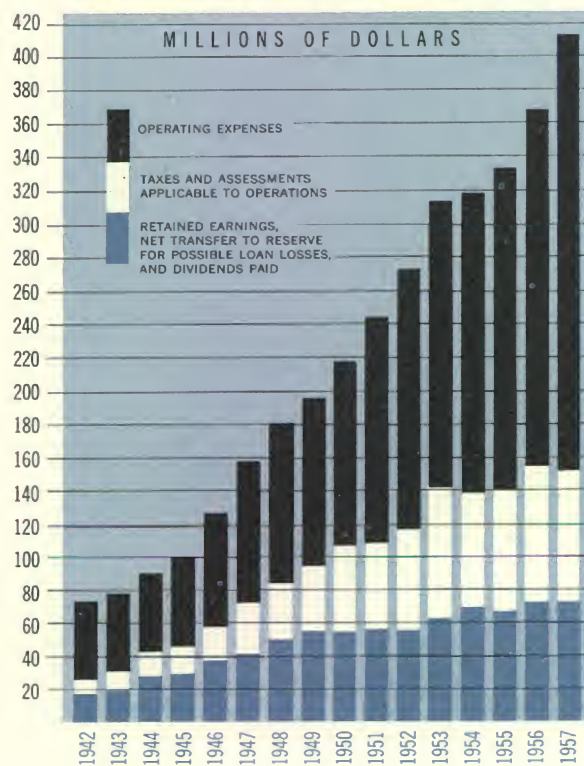
Deposits



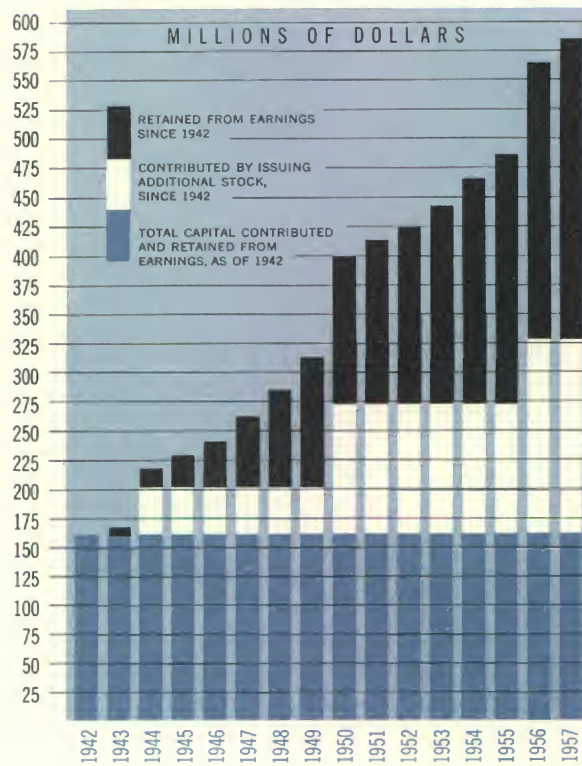
Loans and Investments



Earnings and Profits



Capital Growth



53 Years of Growth of Bank of America NT & SA

Dec. 31	Total Deposits	Capital	Surplus and Undivided Profits	Loans and Discounts	Investments in Securities	Total Resources	Number of Deposit Accounts	Number of Banking Offices in California
1904	\$ 134,413	\$ 150,000	\$ 1,024	\$ 178,400	\$ 34,446	\$ 285,437	①	1
1905	703,024	300,000	10,000	883,522	24,505	1,021,291	①	1
1906	1,348,723	500,000	31,565	1,471,123	81,571	1,899,947	①	1
1907	1,660,324	500,000	46,945	1,678,222	①	2,221,347	①	2
1908	1,728,899	750,000	78,673	1,669,567	57,884	2,574,005	①	2
1909	2,929,495	750,000	90,820	2,445,137	266,628	3,817,218	①	3
1910	5,348,151	1,000,000	150,000	4,159,459	858,547	6,539,861	①	3
1911	7,129,456	1,000,000	201,649	4,885,974	1,638,000	8,379,347	①	3
1912	9,916,018	1,000,000	251,437	7,092,823	1,846,769	11,228,815	①	4
1913	14,226,242	1,250,000	330,390	10,282,785	2,406,706	15,882,912	42,378	7
1914	16,272,563	1,250,000	350,217	11,457,790	2,677,718	18,030,402	50,253	7
1915	20,474,873	1,250,000	374,244	12,970,068	5,084,363	22,321,861	58,854	7
1916	36,804,776	2,000,000	691,452	23,682,894	7,527,408	39,805,995	90,683	12
1917	72,044,729	3,000,000	1,100,000	47,004,189	13,308,177	77,473,153	141,298	19
1918	85,937,839	5,000,000	2,000,000	59,869,035	14,538,649	93,546,162	161,626	24
1919	127,258,626	6,000,000	2,500,000	74,737,335	33,855,881	137,900,700	189,511	24
1920	140,993,545	9,000,000	3,913,240	95,127,616	37,199,447	157,464,685	221,788	24
1921	177,867,611	10,000,000	5,036,948	116,911,735	43,499,682	194,179,450	291,994	41
1922	229,751,526	15,000,000	7,529,844	152,989,286	59,090,529	254,282,290	401,798	61
1923	276,548,879	15,000,000	8,616,832	200,505,931	56,543,859	301,963,478	485,136	75
1924	328,963,919	17,500,000	10,561,578	204,472,438	96,489,255	358,656,302	548,265	87
1925	389,433,241	17,500,000	13,474,173	228,793,066	121,678,890	422,838,587	595,032	98
1926	416,656,511	20,000,000	16,928,035	255,557,233	129,630,279	460,981,773	616,313	98
1927	645,002,138	37,500,000	25,540,829	403,864,139	238,856,707	765,188,977	1,083,303	289
1928	698,435,841	50,000,000	55,756,632	410,276,641	272,884,061	847,910,539	1,139,076	290
1929	893,892,733	50,000,000	58,251,159	541,617,718	246,538,740	1,055,113,373	1,444,090	292
1930	998,039,477	50,000,000	54,136,374	669,258,341	249,139,543	1,161,895,889	1,625,381	353
1931	749,796,772	50,000,000	54,290,312	548,431,954	237,965,856	925,150,152	1,542,783	346
1932	700,447,811	50,000,000	49,890,774	480,675,374	262,952,550	876,309,347	1,380,550	345
1933	767,817,646	50,000,000	49,591,605	458,693,566	311,084,996	941,001,838	1,357,224	345
1934	978,332,802	50,000,000	47,164,341	461,645,975	477,989,657	1,142,323,319	1,547,604	413
1935	1,155,265,465	50,000,000	50,867,307	451,009,354	622,694,559	1,277,419,381	1,677,558	421
1936	1,298,976,759	50,000,000	55,024,112	532,076,966	625,809,982	1,430,337,201	1,911,035	466
1937	1,357,378,756	50,000,000	59,104,964	630,668,811	553,131,379	1,493,373,095	2,123,057	491
1938	1,437,027,491	50,000,000	64,058,600	673,828,309	557,632,428	1,574,721,670	2,182,298	494
1939	1,482,791,676	50,000,000	66,845,842	711,054,697	604,268,671	1,628,586,278	2,268,843	495
1940	1,632,228,397	62,000,000 ②	82,278,753	778,295,101	668,676,296	1,817,535,186	2,384,551	495
1941	1,908,383,921	60,800,000 ②	83,634,808	914,569,553	693,113,910	2,095,635,619	2,538,783	495
1942	2,586,140,699	59,215,920 ②	83,151,214	840,469,960	1,265,749,444	2,771,689,632	2,512,805	487
1943	3,498,153,210	58,102,920 ②	87,051,168	810,660,642	2,095,432,722	3,697,912,675	2,743,231	488 ③
1944	4,350,539,688	68,085,560 ②	140,779,201	894,436,931	2,740,064,364	4,609,124,133	3,054,803	491 ③
1945	5,339,307,098	108,085,560 ②	117,155,495	1,018,741,456	3,533,172,278	5,626,063,927	3,316,494	493 ③
1946	5,415,849,715	106,646,375	130,235,547	1,722,743,513	2,882,151,377	5,765,525,193	3,619,925	500 ③
1947	5,467,199,162	106,646,375	150,525,936	2,492,979,739	2,170,721,906	5,845,817,669	3,815,802	508 ③
1948	5,639,523,419	106,646,375	172,872,255	2,807,070,398	1,945,231,719	6,072,913,872	3,978,403	517 ③
1949	5,775,110,029	127,975,650	177,868,961	2,804,522,646	2,322,505,622	6,250,402,352	4,120,523	525 ③
1950	6,191,705,871	150,000,000	244,822,146	3,256,953,558	2,243,415,017	6,863,358,214	4,374,838	526 ③
1951	6,815,866,795	150,000,000	257,218,390	3,632,685,350	2,439,510,645	7,531,296,927	4,832,147	529 ③
1952	7,485,116,184	150,000,000	269,076,801	4,069,150,471	2,413,852,775	8,201,689,369	5,276,315	538 ③
1953	7,744,200,096	150,000,000	286,267,820	4,148,713,734	2,531,605,621	8,501,761,722	5,581,697	543 ③
1954	8,270,534,751	150,000,000	311,140,888	4,043,312,145	3,271,392,367	9,163,355,289	5,818,851	548 ③
1955	8,802,506,128	150,000,000	330,080,550	4,727,961,473	2,984,567,789	9,669,145,972	6,191,571	574 ③
1956	8,993,240,999	160,000,000	397,028,049	5,353,035,991	2,518,301,682	9,991,842,012	6,618,719	603 ③
1957	9,524,116,723	160,000,000	416,970,724	5,554,784,021	2,742,530,348	10,639,149,591	(November 30) 6,748,256	617 ③

① Not available.

② Includes Preferred Stock but does not include Reserve for Increase of Common Capital, which amounted to \$1,200,000 in 1941, \$2,784,080 in 1942, \$3,897,080 in 1943, and \$3,914,440 in 1944. This Reserve was not needed and was transferred to Undivided Profits on June 15, 1945, concurrently with the payment of a 66 2/3% stock dividend. During 1946, 400,327 shares of Preferred Stock (\$8,006,540 par value) were converted into 531,710 shares of Common Stock (\$6,646,375 par value), and the difference in par value, \$1,360,165, was credited to Surplus Account. The remaining shares of Preferred Stock, 3,951, were retired by call July 31, 1946.

③ In addition, the bank was operating in California 31 "Military Facilities" at December 31, 1943; 42 at December 30, 1944; 39 at December 31, 1945; 15 at December 31, 1946; 12 at December 31, 1947 and 1948; 17 at December 31, 1949; 21 at December 30, 1950; 25 at December 31, 1951; 31 at December 31, 1952; 30 at December 31, 1953 and 1954; 31 at December 31, 1955 and 1956; and 32 at December 31, 1957.

Bank of America
NATIONAL TRUST AND SAVINGS ASSOCIATION

SERVING COMMERCE AROUND THE WORLD

